Company Registration No. 05542880 (England and Wales)
30 September 2021

Scirocco Energy plc

("Scirocco" or the "Company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

Contents

Operational Highlights

Scirocco Energy (AIM: SCIR), the AIM investing company targeting attractive assets within the European sustainable energy and circular economy markets, is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

Period Highlights:

- The Board announced its proposed investment into Energy Acquisitions Group Ltd ("EAG"), a specialist acquisition and operating vehicle in the sustainable energy sector signaling the Company's first investment as part of the Company's revised strategy that targets opportunities within the sustainable energy and circular economy markets in Europe;
- Invested in EAG which allows Scirocco Energy to leverage EAG's strong network and industry leading expertise to gain access to a series of already identified acquisition opportunities within the Anaerobic Digestion ("AD") sector totalling c.£30 million in value;
- Provided initial investment for EAG which will be used to acquire 100% of Greenan Generation Limited ("GGL") and associated 0.5 MWe AD plant located in County Londonderry, Northern Ireland. AD is a process that creates biogas, a renewable energy source that will help the UK deliver on its decarbonisation commitments:
    - The initial investment of £1.2 million will be funded from current cash resources;
    - Scirocco and EAG will jointly explore further opportunities; and
    - GGL is a cash generative, operational AD plant and EAG has identified steps to optimize and enhance EBITDA margins and free cash flow.
- The Company made progress on its Tanzanian asset sales process, which is key to delivering its broader strategy;
- Amended the financing facility, announced to the market on 29 June 2020, with Prolific Basins LLC which ensures that the Company is able to fund its near-term commitments. As a result of the amendment, Scirocco's access to the potential investment of up to US$1,000,000 (to be provided at the option of the Subscriber) has been extended until 31 December 2021;
- The Company partially exited its shareholding in Helium One realizing c. £3.3 million in proceeds during the period;
- Continued the Company's focus on cost discipline and cash preservation; and
- Held group cash at 30 June 2021 of £2.3million

Post Period Highlights:

- The Company announced that the operator of the Ruvuma joint venture, ARA Petroleum Tanzania Limited ("APT"), secured a two-year extension to its licence under the Ruvuma PSA from the Ministry of Energy of Tanzania which will run from 15 August 2021. The extension allows for the completion of the following:
    - Acquisition of 200 km^2(surface coverage) of 3D seismic data;
    - Drilling of the Chikumbi-1 well; and
    - Conclusion of negotiations of the Gas Terms for the Ruvuma PSA.
- The joint venture completed the tender for the acquisition of 3D seismic and awarded the seismic acquisition contract to Africa Geophysical Services Limited ("AGS"). The operator secured a Lumpsum contract considerably below the joint venture's expected budget for the activity. AGS intends to commence activities in the Ntorya location within the Ruvuma PSA area from October 2021.
- The acquisition will consist of approximately 338 km^2 of 3D seismic data focusing on the area of primary interest. AGS will mobilise, weather permitting, and focus on the proposed location for the Chikumbi-1 well ("CH-1") to acquire as much data as possible before the start of the rainy season with the programme re-commencing after that with no additional cost to the JV partners.
- The Company announced that following technical work by APT earlier this year, their revised mapping and internal management estimates suggest a mean risked gas initially in place ("GIIP") for the Ntorya accumulation of 3,024

Bcf, in multiple lobes to be tested and a mean risked recoverable gas resource of 1,990 Bcf, which will be appraised by the planned seismic and drilling programme.
- Announced a new investment policy – focusing on asset opportunities within the European sustainable energy and circular economy markets – which was approved by Shareholders at the Company's AGM on 9 July 2021
- Sale of Helium One shares held by the Company continued realizing a further c. £0.2 million in proceeds after the end of the period

Commenting on the Interim Results, Alastair Ferguson, Non-Executive Chairman said:

"Since we emerged from 2020 the board of directors has implemented a change of investment policy which targets assets within the European sustainable energy and circular economy markets. This policy will see Scirocco allocating capital in assets which support the energy transition and offer a stable, growing source of cash flow going forward.

Scirocco is itself in transition and I was delighted to see the Company taking the first concrete steps under the new investment policy with its investment in EAG. Although a small initial investment this is strategically very significant as it creates a platform for a series of acquisitions.

We have also seen concrete progress in our most significant legacy asset at Ruvuma with the award of a two-year licence extension and the much-awaited seismic acquisition project being kicked off with the award of a contract to AGS. We expect this work programme to be an important catalyst for value as the project is better defined and derisked.

With the pivot to investment in assets within the sustainable energy and circular economy we have set out our stall that we intend to recycle value delivered from Scirocco's legacy assets to fund new investment. The funding of the initial investment in EAG predominantly from proceeds delivered by the sale of Helium One shares is an excellent demonstration of this. From a funding perspective, we were also pleased to see continued support from Prolific Basins with the extension and amendment of the facility.

We now look forward to growing the portfolio and the team are working hard to deliver this."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

For further information:

Scirocco Energy plc	**+44 (0) 20 7466 5000**
Tom Reynolds, CEO	
Doug Rycroft, COO	
Strand Hanson Limited, Nominated Adviser	**+44 (0) 20 7409 3494**
James Spinney / Ritchie Balmer / Rory Murphy	
WH Ireland Limited, Broker	**+44 (0) 207 220 1666**
Harry Ansell / Katy Mitchell	
Buchanan, Financial PR	**+44 (0) 20 7466 5000**
Ben Romney / Jon Krinks / James Husband	

Chairman's Statement

Introduction

I am pleased to be providing this statement in my capacity as Non-Executive Chairman of Scirocco. The Company emerged from 2020 with a new investment policy and positive developments within its legacy asset portfolio.

The Board's focus in the first half of the year was three-fold:

- To Implement the new investment policy to invest in attractive assets within the sustainable energy and circular economy with a view to growing a portfolio of cash generative assets over time;
- To Grow the company's access to resources and personnel within the target space; and
- To Review, on an ongoing basis, new opportunities and progressing the EAG investment.

Additionally, the Company has continued to focus on the monetization opportunities for its existing natural gas portfolio. The underlying assets, particularly the Ruvuma PSA containing the Ntorya Gas development onshore Tanzania, has made significant operational progress so far in 2021. The securing of a 2-year licence extension allows the Joint Venture to progress with seismic and drilling programmes in the near-term providing catalyst for value in the Scirocco portfolio.

Strategy and Business Development

From 2007 until 2018, the Company focused on investments in a diverse portfolio of direct and indirect interests within natural resources and principally in the oil and gas sector, as well as other subsurface gas assets of potential commercial significance. These assets were located worldwide but predominantly in the Americas, Europe and Africa.

In March 2019, the Company announced a new strategy to create long-term, sustainable value within the European energy market. Since announcing the new strategy, the Board observed market dynamics which led to a re-assessment of the opportunities available to Scirocco and the Company's strategic direction:

1. a deterioration of the level of funding support for small oil and gas companies, driven by environmental concerns which could undermine a sustainable access to growth capital;
2. a growing demand for environmentally positive investments, with a limited supply of companies in which to invest, particularly on the AIM Market; and
3. a large and growing market of investment opportunities within the sustainable energy and circular economy space.

The Board concluded that the conditions were in place to support the development of the Company's acquisition-led strategy within the European sustainable energy market. The Company therefore focused on identifying near-term, cash generative investment opportunities within the low-carbon space, including renewable energy, circular economy and energy storage and transfer sectors.

The Board believes the evolution of its strategy will better enable long-term value creation for its shareholders. The areas of investment being screened represent a compelling market opportunity, with strategically consistent assets that complement Scirocco's ambitions to be part of the energy transition space, as the world looks to embrace a more sustainable energy future. Scirocco's objective is to acquire a portfolio of cash generative assets within the following three core areas:

- Energy – assets which generate energy for sale through sustainable or renewable means in the form of biogas or electrical power;
- Circular – assets which recover a valuable component of an industrial, municipal or agricultural waste stream for re-use, generally reducing the system carbon footprint in parallel; and

- Vector – assets involved in the storage, transmission, or delivery of energy within a low carbon context.

The Board believes it will offer Shareholders and investors exposure to an asset portfolio with an attractive risk/reward profile within the sustainable energy ecosystem. Over time, the Board believes shareholder value can be delivered through operational improvement, driving improved profitability; reinvestment of cash flow to fund further acquisition; the periodic refinancing of the portfolio as it grows, supporting lower cost asset finance; and ultimately the payment of a regular dividend.

Board Changes

To support the new strategy Muir Miller joined the Board in the capacity as Non-executive Director on 18th February 2021. Mr Miller brings a wealth of specialist experience to support this strategy development as Scirocco moves into the execution phase of its strategy.

Mr Miller is a Chartered Engineer and Member of the Institution of Mechanical Engineers with over two decades of senior executive experience, with a particular focus on the renewable energy sector. Most recently, Mr Miller was Managing Director of Peel Energy, part of the privately owned, diverse and entrepreneurial Peel Group, a leading infrastructure, transport and real estate investor in the UK, with collective investments owned and under management of more than £5 billion. Peel Energy is an agile low carbon development company that is active in a number of technology sectors with the capacity to develop, build, own and operate assets. During a 10-year period, Mr Miller lead a team that developed and sold £121 million of assets without requiring any long-term equity investment from Peel Holdings, clearing over £61 million in cash profit.

Prior to joining Peel Energy, he was Business Development Manager at Energy Power Resources, with an installed capacity of 113 MW of dedicated biomass assets, 70 MW of landfill gas assets, and 100 MW of wind assets in France, UK and Sweden. Between 2005 and 2007, Mr Miller was CEO of Novera Macquarie Renewable Energy, a joint venture with annual turnover of £32 million and one of the largest independent renewable energy operators in the UK with a total installed generating capacity of 117.5 MW across 53 geographically diverse sites.

Mr Miller will chair Scirocco’s Sustainability Committee which is in the process of being formed.

In line with previous guidance, Jon Fitzpatrick resigned from the Board. The Board wish to thank Mr Fitzpatrick for his considerable contribution to the Company in recent years which has been pivotal in stabilising the business and getting it to a position where it can deliver long-term growth for shareholders.

Cash Management

Throughout the first half of 2020 the Board’s efforts to conserve capital and carefully manage costs continued. The following key elements relate to this activity:

- The payment of share options in lieu of cash salary/fees for Board and Executive Management continued;
- The Company also had the opportunity to raise cash through the sale of Helium One shares following its successful listing in December 2020. As at 30 June 2021, the Company had realized, in aggregate, £3.3 million from the sale of Helium One shares with further sales after the end of the period realizing a further £0.2 million; and
- The facility with Prolific Basins was extended on 25 June 2021 providing continued access to up to a further $1 million of funding until the end of 2021.

Outlook

The first half of 2021 has been a period of significant change within Scirocco with the formal adoption of a new investment policy, the delivery of realization proceeds from the sale of legacy Helium One shareholding which then supported the Company’s first investment in sustainable energy through the investment in EAG.

In Tanzania, the Company is very encouraged by the recent developments surrounding its working interest investment in the Ruvuma PSA, and believes that the 2-year extension granted by the Government is a clear indication of significant progress. The project is about to enter a period of significant activity, both on the operational and commercial fronts, and the Board continues to believe that the project represents a high-quality opportunity to develop indigenous gas into an existing infrastructure network and market. The planned seismic acquisition and drilling programmes are expected to offer a significant value catalyst and the Board continues to explore monetization opportunities for its legacy natural gas assets.

The Company is seeing a significant number of new investment opportunities which represent an excellent fit with its new investment policy. The new opportunities span the full range of target investments including further investment with EAG in the Anaerobic Digestion space as well as new parallel investments within each of the Energy, Circular and Vector channels. Crucially all of the targets present the opportunity to deliver cash flow to Scirocco and its partners which offers to change the character of the business and provide a critical source of funding for the group moving forward. We look forward to continuing the forward momentum established during the first half of the year and announcement of further investments in due course.

Alastair Ferguson
Non-Executive Chairman

Date: 30th September 2021

Principle Risks and Uncertainties

The principal risks facing the Company were set out in the Company's Annual Report and Accounts to 31 December 2020 As the new investment policy is implemented, the Company's risk profile will change due to its exposure to different assets and markets, and a full statement of risks will be published in its subsequent Annual Report and Accounts.

On behalf of the board

Alastair Ferguson
Non-Executive Chairman

Date: 30th September 2021

Directors' Responsibilities

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under AIM Rules for Companies of the London Stock Exchange they are required to prepare the Company financial statements in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Company law requires the Directors to prepare Company financial statements for each financial year. Under AIM Rules for Companies of the London Stock Exchange they are required to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the Companies Act 2006.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRS; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended 30 June 2021 (Unaudited)	Six months ended 30 June 2020 (Unaudited) (Restated)
Continuing operations		**£ 000**	**£ 000**
Administrative expenses		(713)	(1,302)
Loss before investment activities		**(713)**	**(1,302)**
Loss on disposal of shares		(15)	-
Costs to sell investments		(330)	-
Exchange (loss)/gain		(17)	25
Fair value through profit and loss		2,910	-
Profit/(Loss) on ordinary activities before taxation		**1,835**	**(1,277)**
Income tax expense		**-**	**-**
Total comprehensive profit/(loss) for the period from continuing operations		**1,835**	**(1,277)**
Discontinued operations			
Assets held for sale		9	9
Loss recognised on classification as held for sale		(337)	(9)
Loss for the period from discontinuing operations		**(328)**	**-**
Profit/(Loss) and total comprehensive income for the period		**1,507**	**(1,277)**
Total comprehensive income attributable to owners of the parent		**1,507**	**(1,277)**
Earnings per share (pence)	**8**		
Basic and diluted		0.20	(0.20)
Earnings per share from continuing operations			
Basic and diluted		0.25	(0.00)
Earnings per share from discontinued operations			
Basic and diluted		(0.05)	(0.20)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
		£ 000	£ 000
Non-current assets			
Investments	**13**	1,320	1,667
Total non-current assets		**1,320**	**1,667**
Current assets			
Trade and other receivables	**16**	1,825	421
Cash and cash equivalents		2,293	1,168
Assets held for sale	**15**	14,628	14,803
Total current assets		**18,746**	**16,392**
Total assets		**20,066**	**18,059**
Current liabilities			
Trade and other payables	**17**	(450)	(248)
Liabilities held for sale	**15**	(166)	(166)
Total current liabilities		**(616)**	**(414)**
Net current assets		**18,130**	**15,978**
Total liabilities		**(616)**	**(414)**
Net assets		**19,450**	**17,645**
Equity			
Share capital	**18**	1,448	1,448
Deferred share capital	**18**	1,831	1,831
Share premium reserve		38,399	38,399
Share-based payments	**19**	1,768	1,470
Retained earnings		(23,996)	(25,503)
Total equity		**19,450**	**17,645**

CONDENSED INTERIM STATEMENT OF CASH FLOWS

		Six months ended 30 June 2021 (Unaudited)	Six months ended 30 June 2020 (Unaudited) (Restated)
		£ 000	£ 000
Cash flows from operating activities			
Cash absorbed by continuing operations	**25**	(92)	(876)
Interest paid		(1)	(1)
Net cash outflow from operating activities		**(93)**	**(877)**
Cash flows from investing activities			
Payments to acquire intangible assets (classified as held for sale)		(237)	(151)
Payments to acquire investments		(45)	-
Proceeds from disposal of investments		1,500	-
Refund from unsuccessful transaction		-	670
Net cash inflow from investing activities		**1,218**	**519**
Net increase / (decrease) in cash and cash equivalents		1,125	(358)
Cash and cash equivalents at beginning of period		1,168	1,064
Cash and cash equivalents at end of period		**2,293**	**706**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Deferred share capital	Share premium	Share based payments	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
Balance at 31 December 2019	**1,264**	**1,831**	**37,316**	**1,135**	**(21,385)**	**20,161**
Loss for the period (as restated)	-	-	-	-	(1,277)	(1,277)
Credit to equity for equity-settled share-based payments	-	-	-	133	-	133
Balance at 30 June 2020 (as restated)	**1,264**	**1,831**	**37,316**	**1,268**	**(22,662)**	**19,017**
Loss for the period	-	-	-	-	(2,841)	(2,841)
Issue of share capital	184	-	1,083	-	-	1,267
Credit to equity for equity-settled share-based payments	-	-	-	202	-	202
Balance at 31 December 2020	**1,448**	**1,831**	**38,399**	**1,470**	**(25,503)**	**17,645**
Profit for the period	-	-	-	-	1,507	1,507
Credit to equity for equity-settled share-based payments	-	-	-	298	-	298
Balance at 30 June 2021	**1,448**	**1,831**	**38,399**	**1,768**	**(23,996)**	**19,450**

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

The condensed interim financial information for the period ended 30 June 2021 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 December 2020. The figures for the period ended 31 December 2020 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit report.

The condensed interim financial information contained in this document does not constitute statutory accounts. In the opinion of the Directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on 29th September 2021.

Statement of compliance

These condensed company interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly, the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Company's 2020 annual financial statements.

2 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim financial statements of the Company.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform
The amendments in Interest Rate Benchmark Reform – Phase 2, introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduces disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification.

These amendments had no impact on the interim financial statements of the Company.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Useful lives of intangible assets and property, plant and equipment (note 11)
Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are based on judgement and experience and

periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods.

Share-based payments (note 19)
The Company utilised an equity-settled share-based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using Black-Scholes valuation method as at the date of grant. The assumptions used in the valuation are described in Note 19 and include, among others, the expected volatility, expected life of the options and number of options expected to vest.

Hydrocarbon reserve and resource estimates (note 12)
Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Company's oil and gas properties. The Company estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. A breakdown of reserves can be found below. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The current long-term gas price assumption used in the estimation of commercial reserves currently held by the Company is US$3/MMTBU. The carrying amount of oil and gas development and production assets at 30 June 2021 is shown in note 12.

The Company estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's financial position and results which include:

- The carrying value of exploration and evaluation assets; oil and gas properties; property and plant and equipment may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the income statement may change where such charges are determined using the Units of Production (UOP) method, or where the useful life of the related assets change
- Provisions for decommissioning may require revision – where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

Resource summary – Ntorya Field

		Gross Licence Basis (bcf)			
Licence		**1C**	**2C**	**3C**	**Gross Mean unrestricted GIIP**
Mtwara	Development pending	26	81	213	
Mtwara	Development unclarified	324	682	950	1,870
		350	763	1,173	

Resource summary excluding Ntorya Field

		Prospective Resources (bcf)* Gross on Licence			
Prospect/Lead	**1U**	**2U**	**3U**	**Mean unrisked**	**Pg %**
Chikumbi Jurassic	399	936	1,798	1,351**	8***

* Assuming development licence is ratified
** P50
*** RPS assessment of PG

Exploration and evaluation expenditures (note 12)
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Company defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in the income statement and in the period when the new information becomes available.

Units of production (UOP) depreciation of oil and gas assets (note 12)
Oil and gas properties are depreciated using the UOP method over total proved development and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to the proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

Recoverability of oil and gas assets (note 12)
The Company assesses each asset or cash generating unit (CGU) each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (VLCD) and value in use (VIU). The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential reserves (see(a) Hydrocarbon reserves and resource estimates above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Recoverability of trade receivables (note 16)
The Company considers the recoverability of trade receivables to be a key area of judgement. The Company considers trade receivables to be credit impaired once there is evidence a loss has been incurred. An expected credit loss is calculated on an annual basis. The Directors believe that the debtor is still recoverable based on their knowledge of the market in Tanzania and historical evidence of similar receivables being paid. The Directors have recognised the asset as they believe they are still legally entitled to receive it. The Tanzanian Government have a history of building up receivables with other companies and billing them at a future date.

4 OPERATING SEGMENTS

Based on risks and returned, the Directors consider that the primary reporting format is by business segment. The Directors consider that there are two business segments:

- Head office support from the UK
- Segment assets for Canada relate to an investment in Corallian Energy
- Discontinued operations on its investments in Tanzania

		Continuing Operations		Discontinuing Operations	
6 months to 30 June 2021	**Canada**	**UK**	**Total**	**Tanzania**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Administrative expenses	-	(1,043)	(1,043)	-	(1,043)
Interest income	-	-	-	9	9
Other gains and losses	-	(32)	(32)	(337)	(369)
Fair value through profit and loss	-	2,910	2,910	-	2,910
Profit/(loss) from operations per reportable segment	-	1,835	1,835	(328)	1,507
Additions to non-current assets	-	123	123	237	360
Reportable segment assets	125	5,313	5,438	14,628	20,066
Reportable segment liabilities	-	(450)	(450)	(166)	(616)

6 months to 30 June 2020 (Restated)	**Canada**	**UK**	**Total**	**Tanzania**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Administrative expenses	-	(1,302)	(1,302)	-	(1,302)
Interest income	-	-	-	9	9
Other gains and losses	-	25	25	(9)	16
Profit/(loss) from operations per reportable segment	-	1,277	1,277	-	1,277
Additions to non-current assets	-	-	-	112	112
Reportable segment assets	125	1,022	1,147	18,774	19,921
Reportable segment liabilities	-	(641)	(641)	(183)	(824)

5 REVENUE

	6 months to 30 June 2021	6 months to 30 June 2020
	£000	**£000**
Other significant revenue		
Interest income relating to discontinuing operations	9	9

Contract balances	**30 June 2021**	**30 June 2020**
	£000	**£000**
Trade receivables	271	302
Accrued income and interest	98	81

Trade receivables accrued interest for non-payment. Outstanding debtors accrue interest at a rate in accordance with the joint venture agreement and are generally on terms of 30 days. In 2021, there is a provision of £54k (June 2020: £30k) for expected credit losses on trade receivables.

Interest income relates to interest charged on outstanding invoices.

6 EXPENSES BY NATURE

	6 months to 30 June 2021 £000	6 months to 30 June 2020 £000
Continuing Operations		
Exchange losses	(17)	19
Fees payable to the Company's auditor for the audit of the Company's financial statements	(8)	(8)
Professional, legal and consulting fees	(276)	(391)
Costs to sell investments	(330)	-
AIM related costs including investor relations	(62)	(49)
Costs relating to One-Dyas transaction	-	(665)
Accounting-related services	(55)	(37)
Travel and subsidence	-	(17)
Office and administrative expenses	(9)	(8)
Other expenses	(12)	26
Fair value through profit or loss	2,910	-
Loss on disposal of investments	(15)	-
Share-based payments	(298)	-
Directors' remuneration	(17)	(104)
Wages and salaries and other related costs	24	(43)
	1,835	(1,277)

7 EMPLOYEES

	6 months to 30 June 2021	6 months to 30 June 2020
Average number of employees (excluding executive directors):	-	1

	6 months to 30 June 2021 (unaudited) £000	6 months to 30 June 2020 (unaudited) £000
Their aggregate remuneration comprised:		
Wages and salaries	-	25

	6 months to 30 June 2021 (unaudited) £000	6 months to 30 June 2020 (unaudited) £000
Directors remuneration	17	104

	Salary and fees £000	Share-based payments £000	Termination payments £000	Total £000
Period ended 30 June 2021				
Jonathan Fitzpatrick	-	37	-	37
Alastair Ferguson	(7)	73	-	66
Tom Reynolds	24	112	-	136
Donald Nicolson	-	49	-	49
Muir Miller (appointed 18 February 2021)	-	15		15
Douglas Rycroft	-	12	-	12
	17	298	-	315

	Salary and fees	Share-based payments	Termination payments	Total

	£000	£000	£000	£000
Period ended 30 June 2020				
Jonathan Fitzpatrick	6	18	-	24
Alastair Ferguson	9	29	-	38
Tom Reynolds	8	16	-	24
Donald Nicolson	6	19	-	25
Don Strang (resigned 26 November 2018)	(7)	-	-	(7)
	22	82	-	104

From February 2020, the Directors opted to defer their salaries with payments resuming from 2022. Shares in lieu of salary will be issued for deferred amounts (note 19).

No directors received pension contributions in 2021 or 2020.

8 OTHER GAINS AND LOSSES

	6 months to 30 June 2021 £000	6 months to 30 June 2020 £000
Gain on disposal of Helium One shares	36	-
Loss on disposal of Helium One shares	(51)	-
	(15)	-

9 DISCONTINUED OPERATIONS

The Company has a 25% interest in a high-quality development project in Tanzania in which the Directors are actively seeking to monetise. This stake has been valued at $20m and operations relating to this stake are detailed below.

The results of the discontinued business, which have been included in the income statement, balance sheet and cash flow statement, were as follows:

	6 months to 30 June 2021 £000	6 months to 30 June 2020 £000
Revenue	9	9
Impairment on fair value revaluation	(337)	(9)
Loss before taxation	(328)	-
Net loss attributable to discontinuation	(328)	-

The Loss after tax on disposal of the assets held for sale is made up as follows:

	£000 £000
Fair value less costs to sell	14,462
Assets and liabilities classified as held for sale at 31 December 2020 (note 15)	14,637
Additions in 6 months to 30 June 2021	162
	14,799
Movement on fair value revaluation at 30 June 2021	(337)

Loss per share impact from discontinued operations:

	6 months to 30 June 2021	6 months to 30 June 2020

	£000	£000
Basic and diluted impact (pence)	(0.05)	0.00

Cash flow statement

	6 months to 30 June 2021 £000	6 months to 30 June 2020 £000
Net cash flows from investing activities	(162)	(151)
Net cash flows from discontinued operations	(162)	(151)

10 EARNINGS PER SHARE

The calculation of earnings per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:

	Six months to 30 June 2021 (Unaudited)	Six months to 30 June 2020 (Unaudited) (Restated)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share (millions)	723.95	631.70
	£000	**£000**
Earnings		
Continuing operations		
Profit/(loss) for the period from continued operations	1,833	(1,277)
Discontinued operations		
(Loss)/profit for the period from discontinued operations	(328)	-
Basic and diluted earnings per share (pence)		
From continuing operations	0.25	(0.20)
From discontinuing operations	(0.05)	0.00
	0.20	(0.20)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, a diluted loss per share is not included.

11 INTANGIBLE ASSETS

	Exploration and evaluation expenditure £000
Cost	
At 1 January 2020	17,625
Additions at cost	293
Disposals	(2,658)
Transfer to held for sale	(15,260)
At 31 December 2020 and 30 June 2021	-
Impairment	
At 1 January 2020	2,658
Eliminated on disposals	(2,658)
At 31 December 2020 and 30 June 2021	-

Carrying amount	
At 31 December 2020 and 30 June 2021	**-**

The additions to deferred exploration and evaluation expenditure during the period relate mainly to the completion of drilling operations for the Ntorya-2 appraisal and subsequent testing of the well.

During the year to 31 December 2020 the interest in the Ausable Reef gas assets was fully disposed for nominal consideration and no gain or loss was recognized because the asset was fully impaired at the date of disposal.

At the date of authorization of these interim financial statements the Directors were actively seeking sale of all Tanzanian intangible assets and the assets were reclassified as held for sale at 31 December 2020 (note 15).

Following a review of the carrying value and future prospects for Scirocco's assets no impairment has been recognised as the carrying value is deemed appropriate based on the future outlook.

12 OIL AND GAS PROPERTIES

Cost	**£000**
At 1 January 2020	1,117
Foreign exchange	(3)
Transfers to held for sale	(1,114)
At 31 December 2020 and 30 June 2021	-
Accumulated depreciation	
At 1 January 2020	759
Transfers to held for sale	(759)
At 31 December 2020 and 30 June 2021	-
Carrying amount	
At 31 December 2020 and 30 June 2021	**-**

The Oil & Gas properties comprise the 8.29% participating interest in the Kiliwani North Development Licence, in Tanzania.

Accumulated amortisation has been calculated on a units of production basis. As there was no production during the period, the amortisation is nil (Year to 31 December 2020: nil).

At the date of authorisation of these interim financial statements the Directors were actively seeking sale of all Tanzanian oil and gas properties and the assets were reclassified as held for sale at 31 December 2020 (note 15).

13 INVESTMENTS

Quoted Equity Investments

Cost	**£000**
At 1 January 2020	2,927
Fair value revaluation to mark-to-market value	(1,385)
At 31 December 2020	1,542
Additions	103
Disposals	(3,380)
Fair value revaluation to mark-to-market value	2,910
At 30 June 2021	1,175
Impairment	
At 31 December and 30 June 2021	-
Carrying amount	
At 30 June 2021	**1,175**
At 31 December 2020	**1,542**

The quoted investments in the current period relate to an equity investment held in Helium One Ltd, a company incorporated in the

British Virgin Islands. Their subsidiaries hold helium mining licences across Tanzania. Helium One listed on the London Stock Exchange on 4 December 2020 for 4.25p per share and the shares have been valued at mark-to-market value of 24.70p on 30 June 2021. During the period to 30 June, the Company disposed of 17,541,300 shares and acquired 1,000,000 through the exercise of 1,000,000 share options granted to the Company with an exercise price of c. 2.84p/share. On disposal of the shares the investment was revalued to the mark-to-market value on the various dates of disposal and a subsequent gain or loss recognised.

Unquoted Equity Investments	
Cost	**£000**
At 1 January 2020 (as restated) and 31 December 2020	125
Additions	20
At 30 June 2021	145
Impairment	
At 31 December and 30 June 2021	-
Carrying amount	
At 30 June 2021	**145**
At 31 December 2020	**125**

The unquoted investments in the current period relate to an equity investment held in Corallian Energy Limited, a company incorporated in England which holds interests in oil and gas basins in the United Kingdom, and Energy Acquisitions Group Limited, a company incorporated in England which acquires interests in renewable energy assets in the United Kingdom.

	£000
Total investments at 30 June 2021	1,320

14 SUBSIDIARY COMPANY

The only subsidiary of Scirocco Energy Plc is Scirocco Energy International Limited a wholly-owned, UK incorporated micro-entity, which is dormant, and has been since incorporation with an issued share capital of £1. The registered office of the subsidiary is 1 Park Row, Leeds, United Kingdom, LS1 5AB. The subsidiary has not been consolidated into these accounts as it does not have a material impact on Scirocco Energy Plc as it is dormant.

The Company has taken advantage of the exemption under the Companies Act 2006 s405 not to consolidate this subsidiary as it has been dormant from the date of incorporation and is not material for the point of giving a true and fair view.

The Board announced on 25th of August that the Company had completed an investment into Energy Acquisitions Group Ltd ("EAG"), a specialist acquisition and operating vehicle in the sustainable energy sector. On completion of the investment, the Company owns 50% of the share capital of EAG.

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	30 June 2021	**31 December 2020**
	£000	**£000**
Intangible assets	14,274	14,449
Oil and gas properties	354	354
Total assets classified as held for sale	14,628	14,803
Decommissioning provision	166	166
	166	166

At the date of authorisation of these interim financial statements, the Directors were actively seeking a sale of the above items within the next 12 months (note 9).

16 TRADE AND OTHER RECEIVABLES

	30 June 2021	**31 December 2020**
	£000	**£000**
Trade receivables	271	273
Less provision for expected credit losses	(54)	(55)

	217	218
Loan to Helium One Ltd	-	73
VAT recoverable	26	16
Prepayments and accrued income	148	114
Other debtors	1,434	-
	1,825	**421**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

On 1 March 2019 the Company subscribed to USD $1,000,000 convertible loan notes from Helium One Limited for USD $100,000. In accordance with the terms of the agreement, a redemption note can be issued with five days notice. During the period to 30 June 2021 a redemption note was issued and this was subsequently converted to share capital in Helium One Limited.

17 TRADE AND OTHER PAYABLES

	30 June 2021 £000	31 December 2020 £000
Trade payables	76	152
Other payables	330	34
Social security and other taxation	-	5
Accruals	44	57
	450	**248**

The Directors consider that the carrying amount of trade payables approximates to their fair value.

18 SHARE CAPITAL

	Number of shares	Nominal value £000
a) Called up, allotted, issued and fully paid: Ordinary shares of 0.2p each		
As at 31 December 2019	631,704,118	1,264
2 July 2020 – placing for cash at 0.02p	15,805,681	32
20 October 2020 – placing for cash at 0.02p	40,604,191	81
20 October 2020 – placing for cash at 0.02p	35,835,585	72
At 31 December 2020 and 30 June 2021	723,949,575	1,448

	30 June 2020 £000	31 December 2020 £000
b) Deferred shares		
Deferred shares of 265,324,634 at 0.69 pence each	1,831	1,831

c) Total share options in issue

During the period no options were granted.

Exercise price (original)	Amended	Expiry date	Amended	Original options in issue at 30 June 2021
0.35p	7p	31 October 2021	10,625,000	212,500,000
			10,625,000	212,500,000

d) Total warrants in issue

No warrants lapsed in the period and no warrants were issued, cancelled or exercised during the period (2020: nil).

As at 30 June 2021 there were nil outstanding (31 December 2020: nil).

19 SHARE BASED PAYMENT

The Company has opted to remunerate the directors for the period to 30 June 2021 by a grant of an option over the ordinary shares of the capital of the Company as detailed in the deed of option grants. The life of the options is 18 months, which was 1 January 2020. There are 3 executive directors and 2 non-executive director who are members of the plan. The following table summarises the expense recognised in the Statement of Comprehensive Income since the options were granted.

	30 June 2021	31 December 2020
	£000	£000
Directors options	199	236
Incentive options	99	99
Credit to equity for equity-settled share-based payments	**298**	**335**

During June 2020 (and the height of the Covid-19 pandemic) the Company sought to put in place a strategy that would help to conserve the Company's cash position in the near term and also to maximise alignment between the Board, Management Team and Shareholders.

Accordingly, the Company proposed to grant nominal cost options over new Ordinary Shares of 0.2p (£0.002) to Directors and select members of the Management Team ("the Director Options"). The Director Options were granted over a total of 8,990,039 Ordinary Shares and have an aggregate value equal (on a net basis, after deduction of the nominal exercise price per Ordinary Share) to the fair value of salary and/or fees due to the relevant option holders up to 30 June 2021.

Members of the Management Team were also awarded options over Ordinary Shares with an exercise price of 1.3p (£0.013) ("the Incentive Options"), which was approximately a 24% premium to the closing mid-market price of the Company's Ordinary Shares on 26 June 2020. Each Incentive Option is ordinarily exercisable on the 3rd anniversary of the grant date (being 30 June 2023), except in the event of specified corporate events or, exceptionally, if the option holder leaves as a 'good leaver'.

The Company used the Black-Scholes model to determine the value of the incentive options and the inputs. There were no incentive share options for the period ended 30 June 2021. The value of the options and the inputs for the period ended 30 June 2021 were as follows:

	Issue 30 June 2020 Incentive options
Share price at grant (pence)	1.09
Exercise price at grant (pence)	1.30
Expected volatility (%)	84.42
Expected life (years)	6
Risk free rate (%)	0.17
Expected dividends (pence)	nil

Expected volatility was determined using the Company's share price for the preceding 3 years.

The total share-based payment expense in the period for the Company was £99,207 in relation to the issue of incentive options (2020: £99,207) and £nil finance charges in relation to warrants (2020: £nil).

The Incentive Options granted represent approximately 7.9% of the Company's issued share capital (excluding warrants issued to Prolific Basins LLC). The Board has retained additional headroom for additional Incentive Options as it recognises that the future performance of the Company will be dependent on its ability to retain the services of key executives.

20 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics; and
- The carrying amounts of financial instruments

	30 June 2021	31 December 2020
	£000	£000
Financial assets at amortised cost		
Trade receivables	217	218
Other debtors	1,433	-
Cash and cash equivalents	2,293	1,168
	3,943	**1,386**

	Book value 30 June 2021 £000	Fair value 30 June 2021 £000	Book value 31 Dec 2020 £000	Fair value 31 Dec 2020 £000
Financial assets at fair value				
Non-current investment – Helium One	1,175	1,175	1,542	1,542
Non-current investment – Corallian Energy Limited	125	125	125	125
Non-current investment – Energy Acquisitions Group Limited	20	20	-	-
Current loans – Helium One	-	-	73	73
	1,320	**1,320**	**1,740**	**1,740**

	30 June 2021 £000	31 December 2020 £000
Financial liabilities at amortised cost		
Trade payables	76	152
Other payables	330	-
Accruals and deferred income	44	57
	450	**209**

The table below analysis financial instruments carried at fair value, by valuation method.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Company's financial assets that are measured at fair value:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Non-current investment – Helium One	1,175	-	-	1,175
Non-current investment – Corallian Energy Limited	-	-	125	125
Non-current investment – Energy Acquisitions Group Limited	-	-	20	20
	1,175	-	145	1,320

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. No investments are valued using level 1 inputs in the period.

Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the period.

Financial instruments in level 3
If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Following the guidance of IFRS 9, these financial instruments have been assessed to determine the fair value of the instrument. In their assessment, the Directors have considered both external and internal indicators to decide whether an impairment charge must be made or whether there needs to be a fair value uplift on the instrument. Instruments included in Level 3 comprise of convertible loan notes held with Helium One. Details of this can be found at Note 13.

The carrying value of the Company's financial assets and liabilities measured at amortised cost are approximately equal to their fair value.
The Company is exposed through its operations to one or more of the following financial risk:

- Fair value or cash flow interest rate risk
- Foreign currency risk
- Liquidity risk
- Credit risk
- Market risk
- Expected credit losses

Policy for managing these risks is set by the Board. The policy for each of the above risks is described in more detail below.

Fair value and cashflow interest rate risk
Generally the Company has a policy of holding debt at a floating rate. The Directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. Operations are not permitted to borrow long-term from external sources locally.

Foreign currency risk
Foreign exchange risk arises because the Company has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Company's investments are operating. The Company's net assets are exposed to currency risk giving rise to gains or losses on retranslation into sterling. Only in exceptional circumstances will the Company consider hedging its net investments in overseas operations as generally it does not consider that the reduction in volatility in net assets warrants the cash flow risk created from such hedging techniques.

The Company's exposure to foreign currency risk at the end of the reporting period is summaries below. All amounts are presented in GBP equivalent.

	30 June 2021	**31 Dec 2020**
	£000	**£000**
	USD	**USD**
Trade and other receivables	271	274
Cash and cash equivalents	653	1,006
Trade and other payables	-	(142)
Net exposure	924	1,138

Sensitivity analysis
As shown in the table above, the Company is primarily exposed to changes in the GBP:USD exchange rate through its cash balance held in USD and trading balances and to changes in the GBP:EUR exchange rate due to the deposit denominated in EUR. The table below shows the impact in GBP on pre-tax profit and loss of a 10% increase/decrease in the GBP to USD exchange rate, holding all other variables constant. Also shown is the impact of a 10% increase/decrease in the GBP to EUR exchange rate, being the other primary currency exposure.

	30 June 2021	**31 December 2020**
	£000	**£000**
GBP:USD exchange rate increases 10%	93	126
GBP:USD exchange rate decreases 10%	(114)	(154)

Liquidity risk
The liquidity risk of each entity is managed centrally by the treasury function. Each operation has a facility with treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the board annually in advance, enabling the cash requirements to be anticipated. Where facilities of entities need to be increased, approval must be sought from the finance Director. Where the amount of the facility is above a certain level agreement of the board is needed.

All surplus cash is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the forecast cash requirements.

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the undiscounted cash flows.

	Less than 6 months £000	6 to 12 months £000	Between 1 and 2 years £000	Between 2 and 5 years £000
30 June 2021				
Trade and other payables	426	-	-	-
Total	426	-	-	-
31 December 2020				
Trade and other payables	152	-	-	-
Total	152	-	-	-

Credit risk
The Company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Company does not enter into complex derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated.

Market risk
As the Company is now investing in listed companies, the market risk will be that of finding suitable investments for the Company to invest in and the returns that those investments will return given the markets that in which investments are made.

Expected credit losses
Allowances are recognised as required under the IFRS 9 impairment model and continue to be carried until there are indicators that there is no reasonable expectation of recovery.

For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of the services provided. The outlook for the oil and gas industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Exposure to credit risk is continually monitored in order to identify financial assets which experience a significant change in credit risk. In assessing for significant changes in credit risk the Company makes use of operational simplifications permitted by IFRS 9. The Company considers a financial asset to have low credit risk if the asset has a low risk of default; the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and no adverse changes in economic or business conditions have been identified which in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Where a financial asset becomes more than 30 days past its due date additional procedures are performed to determine the reasons for non-payment in order to identify if a change in the exposure to credit risk has occurred.

Should a significant change in the exposure to credit risk be identified the allowance for expected credit losses is increased to reflect the risk of expected default in the lifetime of the financial asset. The Company continually monitors for indications that a financial asset has become credit impaired with an allowance for credit impairment recognised when the loss is incurred. Where a financial asset becomes more than 90 days past its due date, additional procedures are performed to determine the reasons for non-payment in order to identify if the asset has become credit impaired.
The Company considers an asset to be credit impaired once there is evidence that a loss has been incurred. In addition to recognising an allowance for expected credit loss, the Company monitors for the occurrence of events that have a detrimental impact on the

recoverability of financial assets. Evidence of credit impairment includes, but is not limited to, indications of significant financial difficulty of the counterparty, a breach of contract or failure to adhere to payment terms, bankruptcy or financial reorganisation of a counterparty or the disappearance of an active market for the financial asset.

A financial asset is only written off when there is no reasonable expectation of recovery.

A provision matrix can be used based on historical data of default rates adjusted for a forward-looking estimate. The history of default rates needs to be accessed in conjunction with the aging of the trade receivable balance. The aging of a balance alone does not require a provision but can be used as a structure to apply the rates calculated. The historical default rates are used in accordance with forward looking information. From a commercial perspective the TPDC has continued to delay settlement of the trade receivables balance based on requests from the TPDC to Aminex for payments of certain amounts which they wish to offset against the trade receivables. Until this issue is resolved there will be no payment of the invoices and as such an ECL is required to be recognised.

In order to determine the amount of ECL to be recognised in the financial statements, Scirocco is using a provision matrix based on its historical observed default rates which is adjusted for forward-looking estimates and establishes that ECL should be calculated as:

None-past due	0.5% of carrying value
30 days past due	2% of carrying value
31-60 past due	4% of carrying value
61-90 past due	6% of carrying value
90 days -3 years past due	10% of carrying value
Over 3 years past due	20% of carrying value

The simplified approach enables Scirocco to make an estimate of ECL as they are unable to track the credit worthiness of customers. The matrix above reflects the best estimate of the Directors that the claim by TPDC will be successful and is the lifetime credit loss expected.

The total outstanding amount is £271k at 30 June 2021 which is all over 3 years past due resulting in an ECL of £54k in the current period.

21 RELATED PARTY TRANSACTIONS

The Company had the following amounts outstanding from its investee companies (note 13) at the balance sheet date.

	30 June 2021 **£000**	**31 December 2020** **£000**
Helium One Ltd opening balance	73	76
Foreign exchange movement	-	(3)
Conversion to share capital in Helium One Limited	(73)	-
Closing balance	-	73

There were no transactions between the parent and its dormant subsidiary, which are related parties, during the period. Details of Director’s remuneration, being key personnel, are given in Note 7.

The Company entered into transactions with the following related parties who have common directors during the current period:

	30 June 2021 **£000**	**31 December 2020** **£000**
Gneiss Energy Limited – provision of corporate finance advisory – common director Jonathan Fitzpatrick	453	225
Quixote Advisors Ltd – provision of management services – common director Tom Reynolds	(16)	27

During the period the Company paid related party Gneiss Energy Limited fees related to corporate financial advice and management services.

22 ULTIMATE CONTROLLING PARTY

In the opinion of the Directors there is no controlling party.

23 COMMITMENTS

As at 30 June 2021, the Company had no material commitments (31 December 2020: £nil).

24 RETIREMENT BENEFIT SCHEME

The Company operates only the basic pension plan required under UK legislation, contributions thereto during the period amounted to £nil (31 December 2020: nil).

25 CASH GENERATED BY OPERATIONS

	30 June 2021	**30 June 2020**
	£000	**£000**
Profit/(loss) for the period from continuing operations	1,835	(1,279)
(Loss)/profit for the period for discontinuing operations	(328)	-
Adjustments for:		
Finance costs	1	1
Exchange movement	6	-
(Gain)/loss on disposal of investments	15	-
Revaluation of investments to mark-to-market value	(2,910)	-
Loss on fair value revaluation of available for sale assets	337	9
Equity settled share-based payment expense	298	82
(Decrease)/increase in provisions	-	15
Movements in working capital:		
Decrease in trade and other receivables	456	194
Increase in trade and other payables	198	102
Cash absorbed by operations	**(92)**	**(876)**

26 EVENTS AFTER THE REPORTING DATE

Sale of Tanzanian Assets

The sale process announced by the Board on the 2nd March 2020 continues although the process was disrupted by the COVID-19 pandemic. The Board continues to be confident in the inherent value of its 25% interest in the Ruvuma asset, particularly taking account of recent operational progress on the licence, and will consider reasonable offers that reflect the quality of the asset and its significant upside potential.

Investment in Energy Acquisition Group

The Board announced on 25th of August 2021 that the Company had completed an investment into Energy Acquisitions Group Ltd ("EAG"), a specialist acquisition and operating vehicle in the sustainable energy sector. On completion of the investment, the Company owns 50% of the share capital of EAG.

27 A copy of this interim statement is available on the Company's website [www.sciroccoenergy.com.](http://www.sciroccoenergy.com)